

1 Paul W. Shakespear (14113)
2 Cameron Cutler (15116)
3 Natalie Beal (18311)
4 SNELL & WILMER L.L.P
5 15 West South Temple
6 Suite 1200
7 Gateway Tower West
8 Salt Lake City, Utah 84101

6 Abram Moore (*pro hac vice*)
7 Abe.moore@klgates.com
8 Christian Zazzali (*pro hac vice*)
9 Christian.zazzali@klgates.com
10 **K&L Gates LLP**
11 *Attorneys for Eric Schiermeyer*

12 **IN THE UNITED STATES DISTRICT COURT**
13 **FOR THE DISTRICT OF UTAH**

15 ERIC SCHIERMEYER, Derivatively on Behalf
16 of Nominal Defendant, BLOCKCHAIN GAME
17 PARTNERS, INC. D/B/A GALA GAMES,

17 Plaintiff,

18 vs.

19 WRIGHT THURSTON and TRUE NORTH
20 UNITED INVESTMENTS, LLC,

21 Defendants,

22 and

23 BLOCKCHAIN GAME PARTNERS, INC.
24 D/B/A GALA GAMES,

25 Nominal Defendant.

**DECLARATION OF ERIC
SCHIERMEYER IN OPPOSITION
DEFENDANTS/COUNTERCLAIM
ANTS' MOTION FOR
MANDATORY RESTRAINING
ORDER**

Case No: 2:23-cv-00589-HCN-DAO

Judge Howard C. Nielson

Magistrate Judge Daphne A. Oberg

DECLARATION OF ERIC SCHIERMEYER

1 1. I, Eric Schiermeyer, am the President and CEO for Blockchain Game
2 Partners, Inc., d/b/a Gala Games (“Gala Games” or the “Company”). In my roles as
3 President and CEO, I am familiar with both the day-to-day operations and the overall
4 operations of Gala Games, which includes the decision to suspend Defendant Wright
5 Thurston’s Gala Nodes. As such, I have knowledge of the facts set forth herein and
6 could and would testify competently thereto if called upon to do so.

7 2. I am the Plaintiff in this action, which I brought solely for the benefit of
8 Gala Games. I have personal knowledge of the facts stated herein and if called to
9 testify I could and would competently testify thereto.

10 3. On February 23, 2021, Wright Thurston sent me a text that said, in part:
11 “I turned on 100 nodes that day personally and let the connect team turn on 100 after
12 the rise. I told them I would fix the node license account issue this week and they
13 could turn on 200 more. The account is still turned off so I said to activate some of
14 mine.”

15 4. On March 4, 2021 at 6:06 p.m., Wright Thurston texted me a photograph
16 of his Gala Node account dashboard which showed the account owner to be “Wright
17 Thurston.” A minute later, he texted “This is what my node says.”

18 5. For approximately three years prior to this lawsuit, neither I nor Wright
19 Thurston regularly operated any substantial number of our respective Gala Nodes.
20 Thurston and I agreed early on that operating a large concentration of nodes was
21 contrary to the Company’s goal of decentralization.

22 6. In May 2023, my attorneys and Thurston’s attorneys began engaging in
23 settlement discussions in an effort to resolve our disputes, which had reached a boiling
24 point.

25 7. In June 2023, in the midst of settlement discussions between the parties
26 and just before this lawsuit was filed, Thurston activated all 7,000 of his Gala Nodes
27 for the first time in years.
28

1 8. Since Thurston activated his nodes, he has sold all of the GALA earned
2 from those nodes on an almost daily basis.

3 9. Initially, in an effort to mitigate the amount of GALA distributed to
4 Thurston, (and resulting dump on the market), I activated my own Gala Nodes. More
5 nodes operating on a given day results in less GALA distributed per node. However,
6 unlike Thurston, I have not sold any of the GALA earned through my nodes.

7 10. In my role as President of the Company, I directed the suspension of
8 Thurston's Gala Nodes on October 10, 2023 because Thurston had engaged in serious
9 violations of the Gala Terms and Conditions, as set forth in the Verified Complaint. I
10 did not direct the Company to suspend Thurston's nodes before June 2023 because
11 Thurston had not yet re-activated his 7,000 nodes.

12 11. When the Company suspended Thurston's Gala Nodes, I also deactivated
13 my own Gala Nodes. I have not operated my Gala Nodes since that time.

14 12. Gala Games has disabled Gala Nodes on numerous occasions. For
15 example, the Company issued nodes to a company called Liberty United for providing
16 security services. When it stopped providing those services, its nodes were disabled.
17 As another example, when we discovered that Blox Lending and Dereck Hope had
18 been operating nodes those nodes were disabled, as explained in the Complaint.
19 Further, when employees have left the Company their node licenses have been
20 disabled and when purchasers have returned nodes they have been disabled.

21 13. The decision to disable nodes has always been an operational decision
22 made at or below the officer level. Thurston has never argued that board approval is
23 required to disable a node.

24 I declare, under penalty of perjury of the laws of Utah and of the United States
25 of America, that the foregoing is true and accurate.
26
27
28

1
2 Dated: November 14, 2023

DocuSigned by:

Eric Schiermeyer

46F30DCD9C0D450...

Eric Schiermeyer

President & CEO

Blockchain Game Partners, Inc.